

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)	
)	
8YY Access Charge Reform)	WC Docket No. 18-156
)	
)	

REPLY COMMENTS OF SOMOS, INC.

Somos, Inc., the Toll-Free Numbering Administrator (TFNA), provides the SMS/800 Toll-Free Number Registry for Toll-Free Responsible Organizations (Resp Orgs) to search, reserve, and enter routing data for Toll-Free numbers (TFNs) in the US and Canada. Resp Orgs are the designated agent for Toll-Free end users to access the SMS/800 system.¹ Somos is concerned about any issue that can harm the value and integrity of Toll-Free services. We thank the Commission for their continued interest in improving Toll-Free and for reviewing 8YY access charges.

As stated in our reply comments in the Commission's refresh of the record,² traffic pumping remains a problem for the Toll-Free industry. More than a year later, not much has changed.

As the TFNA, Somos is concerned about the negative effect traffic pumping has on Toll-Free end-users and the harm it can bring to the entire industry. The industry is concerned that the long-term effect of this fraudulent use of Toll-Free will drive up the cost of, and users away

¹ 47 CFR Sec. 52-101(b).

² See, *Somos Reply Comments* in dockets WC Docket No. 10-90, WC Docket No. 07-135, and CC Docket No. 01-92 (August 15, 2017).

from, Toll-Free service. Somos explained the mechanics of Toll-Free traffic pumping in our 2017 Reply Comments.³

Bill and Keep

Somos does not take a position as whether or not Bill and Keep is the right approach, or, if not, how to determine the proper charges for Toll-Free origination. As noted in our Reply Comments, Somos is not in the call path and has no economic interest in the rates charged by carriers for 8YY origination.⁴

Somos does believe that high 8YY originating traffic costs are, in part, responsible for the traffic pumping in Toll-Free as higher rates always attract bad actors. We are also aware that origination costs, in part, keep Toll-Free calls free of charge to the calling party. The Commission has to maintain a delicate balance – adjusting rates while not harming those carriers necessary to the provision of Toll-Free in a way that shifts costs to the calling party. Given today’s telecommunications landscape, most consumers do not pay for domestic long distance calls by the call or by the minute. Due to changes in the access charge regime, it would be unacceptable if Toll-Free calls are the *only* calls that customers are charged for on their bills. We appreciate the Commission’s approach did not include such per-call or per-minute recovery.⁵ As Somos stated in our Reply Comments, “For more than fifty years, Toll-Free has meant that

³ *Id.* at 2-3.

⁴ *Id.* at 3.

⁵ Further Notice of Proposed Rulemaking, *8YY Access Charge Reform*, WC Docket 18-156, (June 8, 2018) at ¶ 64 (FNPRM). Note that Somos is concerned about the negative impact of a drastic change in the originating access regime may have on providers in the Toll-Free ecosystem. Providers negatively impacted may choose to leave the business, which, in the long run, could eliminate provider choice and end up costing Toll-Free subscribers more for Toll-Free services, not less.

the calling party does not pay. To change that is to fundamentally change the service, something that would harm the entire Toll-Free industry.”⁶

Dip Charges

Somos agrees with the Commission that multiple dip charges are unnecessary and increase the cost of a call to a TFN. Each Service Control Point (SCP) and RouteLink customer has the same routing information. A single dip should allow that call to be correctly routed. That routing information should be carried with that call until it is terminated. There is no technical reason that Somos knows of to have multiple dips in a single call.

As to a uniform cap for dip charges, Somos does not have an opinion on what they should be. However, if parties are charging prices that are unreasonable, the Commission should step in and regulate the price. The Toll-Free subscriber ends up footing the bill for those unreasonable charges.

Consumer Benefit

Should the Commission lower 8YY originating access rates, including dip charges, the Toll-Free subscriber should be the beneficiary of that lower cost. As the Commission noted in the NPRM, in the Commissions *USF/ICC Transformation Order*, local exchange carriers were estimated to pass through at least 50% of the savings to end users.⁷ Somos believes that expectation must be the minimum expectation of savings for the Toll-Free subscriber. Cost is a

⁶ *Id.* at 4-5.

⁷ FNPRM at ¶ 44.

major impediment to growth of Toll-Free. 8YY access charge reform must benefit Toll-Free subscribers, and not just carriers.⁸

Revenue sharing

Somos noted in our Reply Comments that revenue sharing agreements are how the chain of Toll-Free traffic pumping starts. The traffic pumper has a revenue sharing agreement with an originating LEC. Otherwise, there is no incentive for the traffic pumper. The traffic pumper wants to generate minutes only because the originating LEC is sharing its call revenue. These arrangements must stop.

Somos recognizes that there are other types of revenue sharing that are appropriate in telecommunications, so outlawing revenue sharing arrangements in general is not a solution. If there are legitimate revenue sharing arrangements with an originating party that would otherwise be outside the compensation scheme (such as traffic pumpers, versus a revenue share with another carrier), the Commission could require these to be filed with the Commission (either under a protective order or not) to determine whether or not these enable traffic pumping or other fraud. Carriers with legitimate revenue sharing agreements would have nothing to hide from the Commission, whereas those using revenue sharing for nefarious purposes would be identified either through their filing of an arrangement that encourages traffic pumping, or by their lack of filing at all. Unless the Commission cuts off the money supply enabled by these revenue sharing agreements, traffic pumping won't go away.

⁸ The Commission asked for data on originating 8YY calls from wireless and wireline phones. Unfortunately, Somos does not know of any relevant Toll-Free usage statistics available to answer those questions. Such information may only be available from the carriers.

Toll-Free Payphone Charges

While not directly part of this proceeding, Somos encourages the Commission to review the charges that payphones originate to TFNs. Somos has heard from subscribers and Resp Orgs that these charges are outrageously high (60 to 70 cents for the first minute) and are almost never a legitimate call to a TFN. Worse, these calls just need to last a few seconds for the scammers to collect. According to information presented at Somos' Toll-Free Traffic Pumping and Fraud Workshop in June 2018, payphones can be reprogrammed to make calls to a TFN without anyone actually using the payphone in question. Somos knows of no justification for this rate, other than to permit fraud.

This high rate makes payphone to Toll-Free ripe for abuse. When consumers or Resp Orgs have approached Somos regarding these payphone calls, they have told us that they usually have only a few calls a month from various payphones. The calls are usually from one or two area codes, last one minute (or less) and occur in the overnight hours. It is likely that the payphones are programmed to call a rotating roster of TFNs in order to obtain fees from the Toll-Free subscriber. Somos counsels Resp Orgs to alert their customers to ask their carriers about the ability to block all calls from payphones. True, that does have the possibility of blocking a legitimate call; however, with the omni-presence of wireless devices, legitimate payphone calls to TFNs are few and far between and it appears that payphone to TFN fraudulent calls far outnumber legitimate customer calls.

When one avenue of fraud is closed off, scammers find another. It is a constant game of whack-a-mole. Payphone calls to Toll-Free may well be the next big scam, as we know it exists today and is ripe for abuse. We respectfully ask the Commission to review the payphone to Toll-Free compensation rules as soon as possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joel Bernstein". The signature is fluid and cursive, with the first name "Joel" being more prominent than the last name "Bernstein".

Joel Bernstein
Vice President, Regulatory and Public Policy
Somos, Inc.
P.O. Box 8122
Bridgewater, NJ 08807-8122